



Highlights of [GAO-10-34](#), a report to congressional requesters

## Why GAO Did This Study

Americans increasingly rely on wireless phones, with 35 percent of households now primarily or solely using them. Under federal law, the Federal Communications Commission (FCC) is responsible for fostering a competitive wireless marketplace while ensuring that consumers are protected from harm. States also have authority to oversee some aspects of service. As requested, this report discusses consumers' satisfaction and problems with wireless phone service and FCC's and state utility commissions' efforts to oversee this service. To conduct this work, GAO surveyed 1,143 adult wireless phone users from a nationally representative, randomly selected sample; surveyed all state utility commissions; and interviewed and analyzed documents obtained from FCC and stakeholders representing consumers, state agencies and officials, and the industry.

## What GAO Recommends

To improve wireless phone service oversight, FCC should improve its outreach to consumers about its complaint process, related performance goals and measures, and monitoring of complaints. To improve coordination with states in providing oversight, FCC should develop guidance on federal and state oversight roles, seeking statutory authority from Congress if needed, and develop policies for communicating with states. FCC agreed with the recommendation on monitoring, took no position on the remaining ones, and noted actions that begin to address most of the recommendations.

View [GAO-10-34](#) or [key components](#). View the results of the GAO surveys online at [GAO-10-35SP](#). For more information, contact Mark Goldstein at (202) 512-2834 or [goldsteinm@gao.gov](mailto:goldsteinm@gao.gov).

## TELECOMMUNICATIONS

### FCC Needs to Improve Oversight of Wireless Phone Service

#### What GAO Found

Based on a GAO survey of adult wireless phone users, an estimated 84 percent of users are very or somewhat satisfied with their wireless phone service. Stakeholders GAO interviewed cited billing, terms of the service contract, carriers' explanation of their service at the point of sale, call quality, and customer service as key aspects of wireless phone service with which consumers have experienced problems in recent years. The survey results indicate that most users are very or somewhat satisfied with each of these key aspects of service, but that the percentages of those very or somewhat dissatisfied with these aspects range from about 9 to 14 percent. GAO's survey results and analysis of FCC complaint data also indicate that some wireless phone service consumers have experienced problems with billing, certain contract terms, and customer service. While the percentages of dissatisfied users appear small, given the widespread use of wireless phones, these percentages represent millions of consumers.

FCC receives tens of thousands of wireless consumer complaints each year and forwards them to carriers for response, but has conducted little other oversight of services provided by wireless phone service carriers because the agency has focused on promoting competition. However, GAO's survey results suggest that most wireless consumers with problems would not complain to FCC and many do not know where they could complain. FCC also lacks goals and measures that clearly identify the intended outcomes of its complaint processing efforts. Consequently, FCC cannot demonstrate the effectiveness of its efforts to process complaints. Additionally, without knowing to complain to FCC or what outcome to expect if they do, consumers with problems may be confused about where to get help and about what kind of help is available. FCC monitors wireless consumer complaints, but such efforts are limited. Lacking in-depth analysis of its consumer complaints, FCC may not be aware of emerging trends in consumer problems, if specific rules are being violated, or if additional rules are needed to protect consumers. FCC has rules regarding billing, but has conducted no enforcement of these rules as they apply to wireless carriers. This August, FCC sought public comment about ways to better protect and inform wireless consumers.

In response to GAO's survey, most state commissions reported receiving and processing wireless phone service consumer complaints; however, fewer than half reported having rules that apply to wireless phone service. Stakeholders said that states' authority to regulate wireless service under federal law is unclear, leading, in some cases, to costly legal proceedings and reluctance in some states to provide oversight. FCC has provided some guidance on this issue but has not fully resolved disagreement over states' authority to regulate billing line items and fees charged for terminating service early. State commissions surveyed indicated that communication with FCC about wireless phone service oversight is infrequent. As such, FCC is missing opportunities to partner with state agencies in providing effective oversight and to share information on wireless phone service consumer concerns.